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RUEHKA/AMEMBASSY DHAKA PRIORITY 9176
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RUEHLO/AMEMBASSY LONDON PRIORITY 3534
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9109
RUEHKO/AMEMBASSY TOKYO PRIORITY 0699
RUEHCN/AMCONSUL CHENGDU PRIORITY 0270
RUEHGV/USMISSION GENEVA PRIORITY 1066
RHEFDIA/DIA WASHDC PRIORITY
RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000271

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SUBJECT: AMBASSADOR DISCUSSES NEPAL WITH CONCERNED JAPANESE COUNTERPART

REF: KATHMANDU 200

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

¶1. (C) On January 26, Japanese Ambassador Hiraoka told the Ambassador he was concerned about the deteriorating situation in Nepal. He noted that 2006 was the 50th anniversary of establishing diplomatic relations with Nepal, and although Japan had not planned any major celebration, the Japanese Foreign Ministry Southwest Asia Director would visit Nepal in early February. Hiraoka appeared interested in Chinese influence in Nepal, pointing out that the Chinese Foreign Ministry had issued a statement saying China "hopes the situation in Nepal can stabilize as soon as possible and all parties in Nepal can narrow their differences through dialogue and commit themselves to national development and prosperity." End Summary.

Fifty-years of Diplomatic Relations in 2006

¶2. (C) On January 26, Japanese Ambassador Hiraoka told the Ambassador that though 2006 was the golden jubilee of Japan's establishing diplomatic relations with Nepal, the celebrations would be muted due to the deteriorating situation in Nepal. He noted it was unlikely that the Nepalese King would visit Japan or that any members of the Japanese royal family would visit Nepal. However, Hiraoka informed the Ambassador that the Japanese Foreign Ministry Southwest Asia Director would visit Nepal in early February.

Japan Worried About Chinese Influence in Nepal

¶3. (C) Hiraoka explained he was concerned about the deteriorating situation in Nepal, saying he saw "no progress" since February 1, 2005. Hiraoka noted that Beijing had even uncharacteristically issued a statement on January 24. (Note: The Chinese Foreign Ministry website quoted the spokesman as saying "Nepal is a friendly neighbor of China.

Recently there have been some changes in Nepal's political situation, which we certainly follow. Essentially speaking, it is Nepal's internal affair. As a friendly neighbor of Nepal, China hopes the situation in Nepal can stabilize as soon as possible and all parties in Nepal can narrow their differences thorough dialogue and commit themselves to national development and prosperity." China had refrained from commenting on political developments in Nepal since February 1, when it had only referred to the royal takeover as an "internal" matter of Nepal. Equally uncharacteristic, Japan has been forward leaning in Nepal over the past few weeks and was the first country to issue a statement criticizing the arrest of political party activists on January 19 and 20 (reftel). End note.)

¶4. (C) Apparently interested about Chinese influence in Nepal, Hiraoka asserted that China was concerned about "Taiwan, Tibet and economic development." He noted that the Director would bring up the issue of Tibetan refugees in Nepal. (Note: A Japanese emboff planned to visit the Tibetan Reception Center for the first time on January 27 to gather information. End note.) Hiraoka highlighted the large numbers of Nepali government and military officials who visited China in 2005, apparently at the Chinese government's expense. The Ambassador noted that some of these visits could have been in conjunction with the celebration of fifty years of diplomatic relations between China and Nepal. Hiraoka mentioned a rumor that the King had planned to visit China in December 2005, but had apparently decided against the visit, perhaps because of Indian opposition. Hiraoka reported that the Indian Ambassador had assured him that India would continue economic cooperation with Nepal and

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would not close the border with Nepal as it had in 1989.

Future Steps

¶5. (C) Hiraoka wondered when the government would release all political prisoners, expressing specific concern over second tier political leaders in detention. He also noted that the political parties had removed "constitutional monarchy" from their party manifestos. He added that the political parties appeared unpopular among ordinary Nepalis and opined that the 12-point understanding meant to pressure the King had backfired for the Parties. He worried about the Maoists' call for a Nepal strike around the planned municipal election and explained that Japan was looking at its travel advisory for Nepal in light of the changing security situation.

Comment

¶6. (C) As the largest donor, and one which generally remains neutral about the political situation, Japan is respected in Nepal. We should stay in close touch with Japan on Nepal; the Japanese have clout here and appear increasingly willing to speak out.

MORIARTY